

Case Study: Total Transportation Management Saves Company \$10.2M

INNOVATIVE TRANSPORTATION
SOLUTION REALIZES SIGNIFICANT
COST AND PERFORMANCE
EFFICIENCIES FOR SPONSOR



• API • BIOLOGICS • VIRAL VECTOR SERVICES • EARLY & LATE PHASE DEVELOPMENT • CLINICAL TRIAL SOLUTIONS • LOGISTICS SERVICES • COMMERCIAL MANUFACTURING

Sponsor realizes cost-savings of \$10.2M per year and increases on-time, in-full delivery to 97%

Our client, a leading multinational pharmaceutical company with a true commitment to delivering innovative medicines and to achieving clinical excellence, approached Thermo Fisher Scientific with an extensive clinical trial pipeline and the need to achieve a comprehensive, fully-managed transportation strategy. This Sponsor believed that by outsourcing the transportation element of its clinical trials the company could focus on what it did best—further developing new medicines across many therapeutic areas that could make a meaningful difference to patients' lives across the globe.

Key objectives

- Optimise transportation costs
- Maximize On-Time, In-Full (OTIF) delivery to all global locations
- Deliver enhanced site satisfaction
- De-risk the supply chain
- Secure chain of custody of supplies at all times
- Proactively forecast & manage budgets
- Reduce burden on the Sponsor's internal study management group

The Sponsor took time to evaluate many potential distribution partners. After an extensive period of research and evaluation, there were 3 key reasons for choosing to partner with Thermo Fisher Scientific:

1. A cGMP facility network, unparalleled in the industry
2. Unique, innovative, data driven logistics expertise
3. Sophisticated investigator site support

Also driven by the desire to achieve cost and performance efficiencies across a comprehensive pipeline of many global trials across many different therapeutic areas, the Sponsor felt confident that Thermo Fisher Scientific would deliver on this.

Clear communication was a key factor to this newpartnership. Thermo Fisher Scientific would have to work closely with the Sponsor's in-house study management teams to report on the distribution strategies for all studies and to strive for continuous improvement on defined metrics of measurement at all times.



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The Solution

In order to best service this Sponsor a global cross-functional team was established by Thermo Fisher Scientific, solely dedicated to this Sponsor alone. This crossfunctional team was founded on specialists from IT, Quality, Project Management, Engineering, Operations and Finance, with defined contact points with external logistics companies across the globe. Further strengths of this dedicated group included its access to industry-leading logistics expertise, brokerage services, Global QA, Regulatory support and local, on-the-ground, expertise within each region via the Thermo Fisher Scientific wholly-owned global footprint.

1. Facility network: The Sponsor recognized that the Thermo Fisher Scientific fully-owned network of cGMP facilities strategically located across the globe was unparalleled in the industry. This network of owned facilities linked through a common IT platform and global logistics SOPs, augmented by an extensive third party depot network, would offer the Sponsor a comprehensive footprint capable of receiving, storing and distributing clinical supplies to any location across the globe.

The capacity and specialty storage and handling conditions available at the cGMP sites assured the Sponsor flexibility in servicing multiple studies with varying IMP requirements, including the capability to manage scheduled and temperature-controlled drugs. Fisher clinical ServicesSM local, on-site labelling capabilities and the ability to locally source rescue/co-therapies and comparators differentiated Thermo Fisher Scientific over other potential partners.

2. Unique, innovative logistics expertise: The Fisher clinical ServicesSM unique and innovative solution, Total Transportation Management Service, includes complete oversight of the supply chain processes required to move IMP shipments internationally and within the country of destination, including:

- Courier selection and management
- Customs and regulatory guidance
- Storage and distribution facilities
- Oversight of third party depot shipments
- Global quality assurance support
- Proactive track and trace of all shipments

Thermo Fisher Scientific's logistics experts worked on a dynamic model of courier selection, using the data to allow them to choose the most effective courier based upon raw performance data. The solution was built on a fixed cost model allowing the Sponsor to receive preferential standard and premium freight rates, preferential global facility and depot rates and fixed fuel surcharges which helped them predict and manage their project and department costs.



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Project management and logistics experts

- Analysed trial protocols
- Consulted up-to-date logistics knowledge database
- Evaluated data on couriers
- Applied data driven objectivity to route & courier choice
- Defined supply chain strategies to achieve maximum % of OTIF shipments & to realize cost efficiencies

Resources were dedicated to tracking and measuring courier performance over time with the ability to provide reports and updates in real-time to the Sponsor. This type of enhanced visibility, enabled by Fisher clinical ServicesSM proprietary systems, allowed Sponsor teams around the world to understand the status of their shipments and to validate performance statistics based on a common set of measurements. This data driven objectivity is unique in this industry.

In addition, clear metrics were defined. The objective of this data driven approach was to maximize the OTIF receipts and reduce the overall costs while mitigating risk across the supply chain.

Changes to original transportation strategy

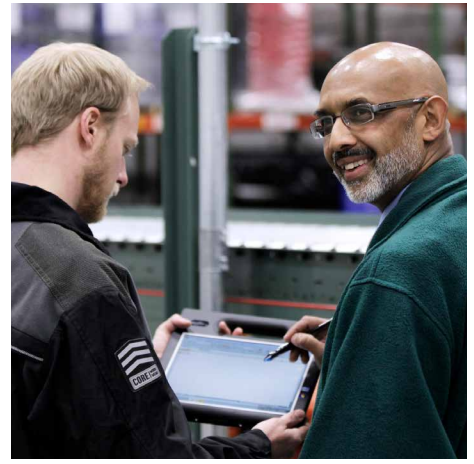
One key, impactful change to the Sponsor's transportation strategy was a new approach to courier selection. It was decided that all of the Sponsor's shipments across all routes and regions would be analysed in detail. In addition, data collated by the Fisher clinical ServicesSM Global Logistics Helpdesk on all global shipments would be analysed. Shipments would be monitored not only for OTIF results but also for cost of service.

New recommendations

- To use the most effective Integrator couriers where there would be no performance degradation
- To evaluate and use the most effective Premium couriers with specialist brokers to maintain chain of custody in transit

This data-driven courier selection would significantly optimize cost and performance efficiencies for this Sponsor.

3. Investigator site support: The Global Logistics Helpdesk was made available 24/5 to the Sponsor's global teams and to investigator sites across the globe, providing proactive track and trace reporting on all supplies. The level of service offered to the investigator sites was particularly high with a can-do attitude and the ability to intervene if shipments were at risk of not being delivered at the right time, to the right place and in the right conditions.



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The results were phenomenal

Significant cost savings were achieved year-on-year. Previously the Sponsor was sending 32% of its shipments via Premium Courier. The data driven objectivity applied by Thermo Fisher Scientific reduced this high percentage to just 7%, which resulted in significant cost savings of circa \$10.2M per year. More importantly there was no degradation in performance. In fact, the OTIF % increased from 93% to 97%, a win-win situation for the Sponsor and for patients.

Over time the Sponsor has become well-versed in the breadth of services provided by the Thermo Fisher Scientific extensive network of global facilities. The Sponsor has benefited from the additional services offered by Thermo Fisher Scientific GMP facilities strategically located across the globe—secondary packaging, labeling, IOR capability and regulatory, import/export services. In addition the Sponsor has been able to expand its reach through leveraging the Fisher Clinical Services' footprint guaranteeing delivery to any site in the world, often in remote and challenging locations.

Meaningful KPI reporting and analysis has enabled a culture of continuous improvement amongst the Fisher clinical ServicesSM logistics team and the Sponsor team. Now that global processes have been standardized from study initiation through to returns and destruction, the clinical trial transportation strategy is a smooth one. The Sponsor can focus on developing innovative medicines that could impact patients' lives all over the world.

About us

Thermo Fisher Scientific provides industry-leading solutions for drug development, clinical trial logistics and commercial manufacturing to customers through our Patheon brand. With unwavering commitment to service, science and process engineering, our clinical services team is powered by people with an exceptional commitment to quality and unrivaled expertise. We are exclusively focused on serving the packaging and

distribution requirements of clinical trials across the world. Whether planning, packaging, labeling, storing, or distributing the important supplies needed to perform clinical research, we are committed to delivering the highest level of quality, performance, reliability and sustainability standards through our Patheon Thermo Fisher ScientificSM offerings.